

UNCLAIMED PROPERTY

PUB 201

NOVEMBER 2003

This publication is designed to provide general information to unclaimed property holders and assist in complying with current laws and rules. In case of inconsistency or omission in this publication, the Arizona Revised Statutes and/or the Arizona Administrative Code will prevail over the language in this publication.

Do you know what unclaimed property is?

Do you know whether you have any unclaimed property that must be remitted to the state of Arizona?

If not, you will want to read this brochure to find out since you are required by Arizona law to report it and remit it to Arizona Department of Revenue.

Unclaimed property is an asset that is presumed abandoned by its owner after a specific holding period. With the exception of the contents of safe deposit boxes, it is primarily intangible personal property. Property such as uncashed payroll checks, unclaimed vendor checks and even uncashed tax refunds are all examples of unclaimed property. Almost every type of business has some form of unclaimed property but may not be aware of the procedures involved with identifying and remitting it to the Arizona Department of Revenue, Unclaimed Property Unit. This brochure is designed to help increase awareness of all the major forms of unclaimed property and to describe procedures for remittance. Holders may wish to review state law (A.R.S. 44-301 through 44-338) for more specific information. In the United States all fifty states have similar Unclaimed Property laws.

The Most Frequently Asked Questions By Holders Regarding Unclaimed Property

Q. What is a holder?

A. A holder is any entity or person doing business, wherever located, who possesses property be-

longing to another or who owes something to another. Examples of holders include: a bank which has a savings account opened by someone, a company that has issued a paycheck to an employee who is no longer employed by the company and who has never cashed the check.

Q. When does property become "Abandoned" or "Unclaimed"?

A. Property is considered abandoned if it is unclaimed or its owner cannot be located after a specified number of years. Listed below are *some* common types of unclaimed property and the holding period before it officially becomes abandoned or unclaimed:

- Uncashed Payroll Checks - 1 years
- Unclaimed Utility Deposits - 2 years
- Assets resulting from a dissolved business relationship - 1 year
- Inactive Savings and Checking Accounts - 5 years
- Contents of Safe Deposit Boxes (rent unpaid) - 1 year
- Uncashed Travelers Checks - 15 years
- Uncashed Money Orders - 7 years
- Most other funds - 5 years

Q. Why does the State of Arizona have such a law?

A. To protect abandoned property and return it to its rightful owners or their heirs.

Q. What State agency administers this law?

A. The Arizona Department of Revenue, Taxpayer Services Division.

Q. Why does the State of Arizona administer unclaimed property?

A. Rather than the need to check with hundreds of banks, credit unions, and other companies, the rightful owners or their heirs have a single source to check for their abandoned property.

Q. What happens to this abandoned property?

A. This abandoned property is held in the State's Revenue Fund for claim by the rightful owners

or their heirs. The Department of Revenue attempts to locate the rightful owners or heirs.

Q. What about contents of safe deposit boxes?

A. The contents of safe deposit boxes are considered unclaimed property when they remain unclaimed by the owner for more than one year after the lease has expired on the box.

Specific Unclaimed Property by Holder Type

The following section identifies specific types of holders and provides more detailed information as to unclaimed property each holder may have and the holding period for this property.

Banking or Financial Organizations

1. Savings, checking or other time deposits, including any interest or dividends earned, with no account activity in the past five years.
2. Funds used to purchase shares or interest in a financial institution (i.e., Credit Union Shares) including interest or dividends unless the owner has within five years:
 - deposited or withdrawn money from the account,
 - corresponded in writing to the institution in regard to the funds or accounts,
 - otherwise inquired on the status of the account as evidenced in an institutional memo.
3. Funds or other personal property removed from a safe deposit box or any other safe-keeping repository because of an expired lease, and the property has remained unclaimed by the owner for more than one year. After receipt of this tangible property, the department may hold a public auction, and the proceeds of this sale will be held by the State for the owner to claim.
4. Traveler's checks issued or sold in this state that have been outstanding for more than 15 years unless the owner has:
 - corresponded in writing to the organization

- regarding the traveler's check, otherwise inquired on the status of the traveler's check as evidenced in an organizational memo.

Insurance Corporations

Money unclaimed and unpaid for more than five years after becoming payable, for life or endowment insurance and matured annuities.

Utilities

1. Deposits or pre-payments made to a utility company for services, which have remained unclaimed for more than two years after the services were terminated.
2. Refunds for utility services which have remained unclaimed for more than two years after the date it became payable.

Business Associations

Any stock or other certificate of ownership, or any associated dividend, interest or profit held for a shareholder who has not claimed it or corresponded in writing within three years of the date designated for payment.

Terminated Business Associations and Banking or Financial Organizations

Intangible personal property abandoned after a voluntary termination of a business association or dissolution of a financial organization, that is unclaimed by the owner within one year of the date of final distribution. Some examples may include: accounts payable balances, credit accounts receivable balances, and any outstanding vendor or payroll checks

Fiduciaries

Intangible personal property held in fiduciary status for the benefit of another person, primarily any form of trust account, unless owner activity is shown or there is written record of contact made by the owner within a five year period after the trust becomes payable.

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State Courts and Public Officers and Government Agencies

Personal property held for the owner by any court, public corporation, public authority or public officer of this State, or a political subdivision thereof, that has remained unclaimed by the owner for more than one year.

Other Business Entities

All other intangible property that is held or owing in this State and in the ordinary course of the holder's business that has remained unclaimed by the owner for more than five years after it became payable or distributed.

Procedures and Reporting

In order to report your unclaimed property accurately, you will need to complete the three reports listed below. You also will need to submit a check in the amount of the value of all of the unclaimed property being remitted. This check should be made payable to Arizona Department of Revenue:

17-2006 - Report of Property Presumed

Abandoned. This form is used to give information as to holder name, address, contact person, phone number and type of business. Also the holder will summarize the amounts remitted by:

- Accounts under \$50.00.
- Accounts over \$50.00 with an unknown name.
- Accounts over \$50.00 and total remitted.

17-2004 – Verification and Checklist. This form is used to indicate what type of property is being turned over. This form lists many different types of property, and the holder will check the type of property(ies) being remitted.

17-2004 Pg. 2- Detail Sheet. This form is used by the holder to list the owners of property. There must be a separate list of owners for each type of property remitted, and each list must be in alphabetical order by owner's last name.

Due Dates for Reports

For every holder, except life insurance companies, unclaimed property reports are due prior to November 1 of each year for property which has reached its dormancy period by June 30th of that year. Life insurance company reports are due prior to May 1 of each year for property which has reached its dormancy period by December 31 of the prior year.

-Due Diligence-

Holders Must First Attempt to Find Owners

For property that has a value of \$50.00/more and the address of the owner is thought to be accurate, the holder must send written notification to the owner of the potential unclaimed property. The notice must be sent prior to 120 days before submitting the annual unclaimed property report to the Arizona Department of Revenue.

HOLDER BILL OF RIGHTS

44-332. Arizona unclaimed property assistance office; unclaimed property problem resolution officer; duties; program termination

- A. THE ARIZONA UNCLAIMED PROPERTY ASSISTANCE OFFICE IS ESTABLISHED AS AN OFFICE IN THE DEPARTMENT. THE DIRECTOR SHALL SELECT THE EMPLOYEES OF THE OFFICE INCLUDING A MANAGER WHO IS THE UNCLAIMED PROPERTY PROBLEM RESOLUTION OFFICER. THE OFFICE REPORTS DIRECTLY TO THE DIRECTOR'S OFFICE. THE EMPLOYEES OF THE OFFICE MAY INCLUDE EMPLOYEES OF THE DEPARTMENT AND MAY ALSO INCLUDE RESIDENTS OF THIS STATE WITH KNOWLEDGE OF UNCLAIMED PROPERTY.
- B. THE OFFICE SHALL ASSIST HOLDERS OF UNCLAIMED PROPERTY IN:
1. OBTAINING EASILY UNDERSTANDABLE UNCLAIMED PROPERTY INFOR-

MATION AND INFORMATION ON AUDITS, CORRECTIONS AND APPEALS PROCEDURES OF THE DEPARTMENT.

2. ANSWERING QUESTIONS REGARDING PREPARING AND FILING REPORTS WITH THE DEPARTMENT.
 3. LOCATING DOCUMENTS OR PAYMENTS FILED WITH OR SUBMITTED TO THE DEPARTMENT BY HOLDERS.
- C. THE OFFICE SHALL ALSO:
1. RECEIVE AND EVALUATE COMPLAINTS OF IMPROPER, ABUSIVE OR INEFFICIENT SERVICE BY EMPLOYEES OF THE DEPARTMENT AND RECOMMEND TO THE DIRECTOR APPROPRIATE ACTION TO CORRECT THAT SERVICE.
 2. IDENTIFY POLICIES AND PRACTICES OF THE DEPARTMENT THAT MAY BE BARRIERS TO THE EQUITABLE TREATMENT OF HOLDERS AND RECOMMEND ALTERNATIVES TO THE DIRECTOR.
 3. PROVIDE EXPEDITIOUS SERVICE TO HOLDERS WHOSE PROBLEMS ARE NOT RESOLVED THROUGH NORMAL CHANNELS.
 4. NEGOTIATE WITH DEPARTMENT PERSONNEL TO RESOLVE THE MOST COMPLEX AND SENSITIVE HOLDER PROBLEMS.
 5. TAKE ACTION TO STOP OR PROHIBIT THE DEPARTMENT FROM TAKING AN ACTION AGAINST A HOLDER.
 6. PARTICIPATE AND REPRESENT HOLDERS' INTERESTS AND CONCERNS IN PLANNING MEETINGS, REVIEWING INSTRUCTIONS AND FORMULATING DEPARTMENT POLICIES AND PROCEDURES.

7. COMPILE DATA EACH YEAR ON THE NUMBER AND TYPE OF HOLDER COMPLAINTS AND EVALUATE THE ACTIONS TAKEN TO RESOLVE COMPLAINTS.
 8. SURVEY HOLDERS EACH YEAR TO OBTAIN THEIR EVALUATION OF THE QUALITY OF SERVICE PROVIDED BY THE DEPARTMENT.
 9. PERFORM OTHER FUNCTIONS THAT RELATE TO HOLDER ASSISTANCE AS PRESCRIBED BY THE DIRECTOR.
- D. ACTIONS TAKEN BY THE OFFICE MAY BE REVIEWED ONLY BY THE DIRECTOR ON REQUEST OF THE DEPARTMENT OR A HOLDER. THE DIRECTOR MAY MODIFY ACTION TAKEN BY THE OFFICE.
- E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2010 PURSUANT TO SECTION 41-3102.

FOR ADDITIONAL INFORMATION OR TO REQUEST REPORTING FORMS, CALL:

(602) 716-6032

Email:

AZDOR.UNCLAIMEDPROPERTY@REVENUE.STATE.AZ.US

OR WRITE TO:

Arizona Department of Revenue
Unclaimed Property
PO Box 29026
Phoenix AZ 85038-9026

OR DOWNLOADABLE AT: www.revenue.state.az.us

This document is available in an alternative format upon request.